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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 004417

SIPDIS

DEPT FOR PRM/ANE

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TAGS: [PREF](#) [PREL](#) [KPAL](#) [SY](#) [JO](#)

SUBJECT: US-FUNDED NEIRAB REFUGEE HOUSING PROJECT NEARS
COMPLETION, QUIETLY ENCOURAGES CHANGE

Classified By: Charge d'Affaires David Hale, per 1.5 (b) and (d).

1. (U) Embassy Damascus cleared this message.

2. (C) Summary and Comment: The first U.S.-funded units in UNRWA's Neirab housing project in Syria are ready for an August handover to Palestinian refugees, with all 28 units scheduled for completion in December 2003. While there have been some delays and design problems, the project already is having a positive impact on the refugees and the way UNRWA does business. Through the project, UNRWA is exploring new approaches to social services, cost management, donor relations and overall project management. The project also prompted the Syrian Government to form its first-ever camp committees and experiment with international NGOs in a refugee camp. The Canadian Government approved a 6.5 million CD (USD 4 million) contribution to the project on July 11 but UNRWA still needs a further PRM contribution of USD 500,000 to maintain momentum while Canada finalizes its contribution. We recommend PRM approve the second contribution, keeping this quiet experiment in refugee resettlement in motion. End summary and comment.

3. (U) Refcoord monitored progress on the U.S.-funded housing project at Syria's Neirab and Ein Al Tal refugee camps on June 26 and 27. After weather-related delays during the winter, the first group of U.S.-funded housing units is ready for an August handover to the refugee families, who will be responsible for finishing the units' interiors in accordance with UNRWA's self-help policy on shelter rehabilitation. The entire tranche of 28 U.S.-funded units will be completed by December 2003, at which point UNRWA would like to hold a formal inauguration ceremony and announce further contributions to the project.

4. (U) Just prior to refcoord's visit, UNRWA Syria Deputy Director Lex Takkenberg selected the 28 families who will move into the U.S.-funded units. A total of 280 families have now registered with UNRWA to apply to move from the Neirab barracks and UNRWA expects the number to continue to grow. The 28 families were all chosen from a group identified by the newly formed Neirab and Ein Al Tal refugee camp committees, but UNRWA had the final say in the families' rank-ordering. Priority was given to families in the worst housing conditions, with some extra consideration given to UNRWA special hardship cases. Although donors (including the U.S.) had previously expressed concern that UNRWA could inadvertently create a new slum by moving special hardship case families, a June 26 meeting with some of the families selected to move revealed a far more dynamic community than would be expected based solely on socio-economic statistics. In one family, for example, a teenage daughter who dropped out of school after seventh grade told refcoord that the prospects of moving to a new home had inspired her to resume her studies. Another seven-person family had been forced to move into a one-room barracks home after the disabled male head of household lost his UNRWA special hardship benefits and the family was unable to pay rent on the wife's schoolteacher salary alone. The move will give the children more room to study and play.

5. (SBU) UNRWA recognizes that it must incorporate some social services programming into the Ein Al Tal housing project, to ensure that the move-generated dynamism results in real and lasting changes in this refugee community. To that end, UNRWA plans to invest in greater vocational training opportunities in the Ein Al Tal women's program center and also to use seed money from the US-funded Relief and Social Services' microcredit lending program to establish new consumer and home improvement lending plans (for existing Ein Al Tal residents). The housing loan program will be implemented in partnership with U.S.-based NGO Community-Habitat-Finance (CHF), a first for Syria. The newly created Neirab and Ein Al Tal camp committees (no camp committees had existed in Syria prior to the initiation of this project) also are working with UNRWA to develop their own socio-economic development ideas for the two camps.

6. (U) A May 2003 Swiss-led technical mission to Ein Al Tal camp revealed some design flaws in the project, which have led to significantly higher unit costs. UNRWA, for example, has failed to group together the houses' "wet units"

(kitchens and baths), added unnecessary beams and stone facing for purely ascetic reasons, built stone perimeter fences and sunk the foundations deeper than required. The Swiss Development and Cooperation Agency and the Syrian Government estimate that UNRWA could reduce future housing unit costs by 50 percent (to nearly USD 6,000) if the agency corrected these design flaws. UNRWA plans to hold a housing policy workshop in October (with Swiss technical assistance) to assess the US-funded construction and recommend design corrections. UNRWA assures us that the costs of any future US-funded units will reflect these changes.

17. (SBU) Amman-based CIDA representative Monika Vadeboncoeur reported that the Canadian Government on July 11 approved a multi-year contribution of 6.5 million Canadian dollars (roughly USD 4 million) to phase one of the Neirab/Ein Al Tal housing project. The Swiss Government is ready to contribute another USD 300,000 to the project's management and communications needs. UNRWA hopes PRM will contribute another USD 500,000 to the project, to keep construction moving ahead while the Canadians and Swiss finalize their contributions. (UNRWA's draft project proposal has been forwarded to PRM/ANE by e-mail.) These contributions would cover the entire costs of phase one of the project. UNRWA reports that the EU is considering a substantial contribution to phase two of the project, renovation of the Neirab barracks.

18. (U) The Canadian and Swiss governments are pushing UNRWA to adopt a "harmonized" approach to donors, including a memorandum of understanding (MOU) that would set up a shared framework for project implementation and monitoring. Specific subjects to be covered in the MOU could include: a common proposal outlining the terms of the project, common financial accountability requirements, common monitoring, reporting and evaluation requirements and a joint stakeholder committee (including UNRWA, donors and the SARG) to oversee progress of the project. UNRWA HQ has agreed to this approach and has authorized Syria Deputy Director Takkenberg and the Legal Department to draw up a draft MOU. The Canadians and Swiss also would like the harmonized approach to include a "trust fund" for the project, a separate account into which donors would contribute their lump-sum contribution up-front, to finance the multi-year project. (Refcoord already cautioned UNRWA and other donors that PRM might not be able to participate in a trust fund.)

19. (C) Comment: In addition to serving as a quiet experiment in refugee resettlement, the Neirab/Ein Al Tal housing project is prompting UNRWA to take a fresh look at relief and social services policy, cost management, donor relations and overall project management. The project is also prompting the Syrian Government to explore new camp leadership policies (through the newly created camp committees) and the potential involvement of foreign NGOs in the refugee camps. Many of these successes are due to the solid work of UNRWA's Director and Deputy Director in Syria, both of whom are likely to leave Syria in the next 15 months. Donors and the Syrian Government will have to work hard to ensure progress on the project does not end with the change in UNRWA leadership. Nevertheless, the project's potential, far-reaching impact on the way UNRWA and host governments do business, as well as the obvious humanitarian impact on refugees' lives, argues for continued US support for the project. We recommend PRM approve a second tranche of funding as requested by UNRWA and that PRM participate in the proposed "harmonized" MOU.

HALE